

## The Legislative Fiscal Division

Presents:

Profile of...  
**Secretary of State**

## State of Montana



## Agency Profile

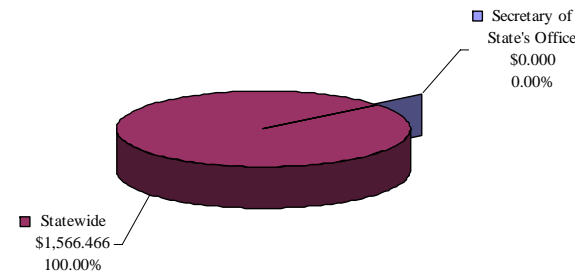
Sept. 2006

This agency profile will discuss...

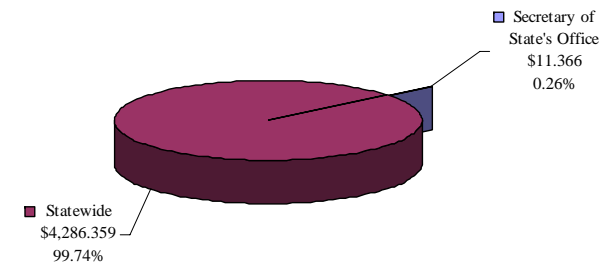
- structure and funding
- primary functions and
- historical expenditures

The profile also includes information on how decisionmakers can effect change in the agency's expenditures along with a listing of pertinent statistics. For an explanation of terms used in this profile, consult the "Background on the Agency Profiles" at: <http://leg.mt.gov/css/fiscal/default.asp>

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General Fund Statewide Comparison  
FY 2006 (In Millions)

Let's begin by putting the agency's size in perspective by comparing it to state government as a whole.

Total Funds Statewide Comparison  
FY 2006 (In Millions)

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Legislative Fiscal Division

[www.leg.mt.gov/css/fiscal](http://www.leg.mt.gov/css/fiscal)

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Section A  
General Government & Transportation



## What the Agency Does

The Office of the Secretary of State:

- Interprets state election laws and oversees elections
- Maintains the official records of the executive branch and the acts of the legislature
- Reviews, maintains, and distributes public-interest records of businesses and nonprofit organizations
- Files administrative rules adopted by state departments, boards, and agencies
- Attests to the governor's signature on executive orders, proclamations, resolutions, extradition papers, and appointments
- Preserves the state seal
- Files and maintains records of secured financial transactions, such as liens
- Serves on the state Board of Land Commissioners and the Board of Examiners
- Commissions notaries public

Total FY 2006 FTE: 49.25 FTE all funded with proprietary funds



## How Services Are Provided

The office comprised of one division, which consists of five bureaus that provide the following major functions:

### Central Administration

- Office budgeting, accounting, payroll, and administration



## Statewide Factors With Impact

In addition to the factors above, a number of factors common to many agencies will also impact changes in expenditures over time.

- Personal services policies and funding
- State contribution to health benefits
- Information technology policies and standards



## Statutory References

The primary statutory references defining duties and responsibilities of the department are found at the following locations.

Article VI, Section 1, Montana Constitution - Officers.  
2-15-401 MCA - Duties of secretary of state -- authority



## How the Legislature Can Effect Change



In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basic elements that drive costs.

- Affect laws that impact the frequency of interactions between the office and those served
- Affect laws associated with requirements and processes for filing, retention, and storage of official records
- Affect laws associated with requirements and duties associated with election laws



### Business Services Bureau

- Charters, licenses, and record maintenance for Montana, alien, and foreign corporations
- Registers and maintains records for trademarks and assumed business names
- Files and maintains records of Montana and foreign limited partnerships
- Assembles, prepares, and publishes the federal farm products lien list for buyers under the authority of the United States Department of Agriculture

### Elections Bureau

- Files legislative bills from introduction through approval by the Governor and assigns chapter numbers for the session laws of Montana
- Files the journals of the legislature
- Files and maintains the record of declarations of nomination of candidates for state and district offices, and reports of contributions to candidates for federal offices
- Prepares, publishes, and distributes instruction manuals for election judges, including forms for use in elections
- Prepares and certifies official primary and general election ballots Assists and advises local election administrators in election matters, and publishes and distributes the elections laws
- Files petitions for and prepares, publishes, and distributes the voters' information pamphlet on special measures and constitutional amendments
- Files official bonds of notaries public and distributes commissions of notaries public issued by the Governor
- Maintains the record of executive reorganization, official acts of the Governor, applications for pardons and commutation of sentence, requisitions for extradition



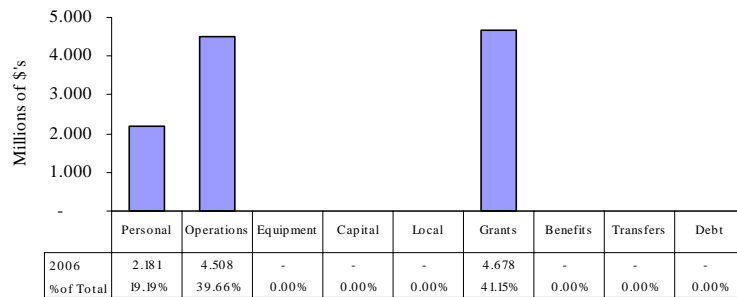
## Administrative Rules Bureau

- Prescribes the format for the administrative rules of state agencies
- Files and maintains the record of proposed and established administrative rules of state agencies
- Publishes and distributes the Montana administrative register and the administrative rules of Montana

## Records Management Bureau

- Establishes guidelines for inventorying, cataloging, retaining, and transferring all public records of state agencies and operates state records center to store and service public records
- Microfilms documents for state agencies and approves microfilming projects and microfilm equipment purchases of state agencies
- Assists the legislative and judicial branches establish records management procedures

**Secretary of State's Office History**  
**All Funds FY 2006**



State Purposes	Major Agency Functions	Customers
<i>Infrastructure— Governmental and Physical</i>	Interpret state election laws and oversee elections	General public
	Maintain and administer public-interest records of business and nonprofit organizations	General public
	Maintain and administer the Administrative Rules of Montana and the Montana Administrative Register	State agencies and general public
	Maintain official state records	State agencies and general public



## Reasons for Expenditure Growth/Change

Funding increases from 1998 through 2000 were due to a large part to expenditures on information technology equipment in an effort to automate processes of the office. The office now provides a significant amount of services via electronic access through the Internet. Prior to FY 2003, the office was funded exclusively with proprietary funds, but beginning in FY 2003, the office received funding from federal special revenue for election reform activities of HAVA, which in FY 2006 was \$8.3 million. HAVA functions to improve the election process and access to polling places will continue beyond the 2007 biennium or until the HAVA requirements are satisfied or funding is eliminated.

## Agency Functions, State Purposes, & Customers Served

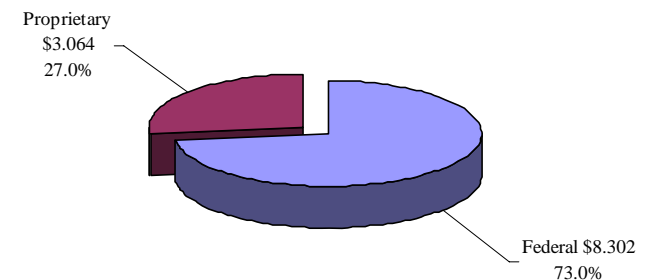
The agency is structured to perform certain functions in support of general state government purposes. The following lists the major functions, purpose of provision of the functions, and primary customers served.



## How Services Are Funded

The operations of the Secretary of State are funded primarily with proprietary funds derived from fees for services, document sales, and other fees established in statute. Beginning in FY 2003, the federal Help America Voter Act of 2002 provided federal special revenue for election reform initiatives. In FY 2006, federal special revenue provided \$8.3 million, or 73.0 percent, of the total funding for the Secretary of State and proprietary funds provided the remaining \$3.1 million, or 27.0 percent. Current indications are that the federal funds will be short-lived and are being provided to address voting irregularities identified during the 2000 presidential elections.

**Secretary of State's Office Funding History  
All First Level 2006**



## Related Data &amp; Statistics

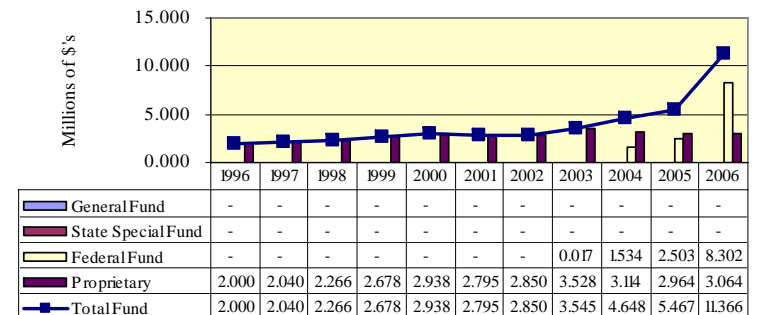


<i>Element</i>	<i>1996</i>	<i>2005</i>	<i>Significance of Data</i>
Documents processed for registration of new Montana domestic corporations	2,276	3,638	Workload indicator
Documents processed for registration of new Montana foreign corporations	1,141	1,409	Workload indicator
Documents processed for registration of new Montana domestic limited liability companies	699	7,972	Workload indicator
Documents processed for registration of new Montana foreign limited liability	100	820	Workload indicator
Average document processing turnaround time	15 days	5 days	Illustrates process effectiveness
Customer services telephone wait time	20 minutes	70 percent in less than 30 seconds	Illustrates process effectiveness
Online services available	0	13	Use of automation to provide operating efficiencies
Online customers served	0	44,442	Use of automation to provide operating efficiencies



## Expenditure History

## Secretary of State's Office Funding History



Total funds have grown from \$2.0 million in FY 1996 to \$11.4 million in FY 2006, or a level 5.7 times the FY 1996 level. The significant growth has been with the introduction of federal funding from the federal Help America Vote Act of 2002 (HAVA), which began in FY 2003 at \$17,200 and has grown to \$8.3 million in FY 2006. Without federal funding, the proprietary funds would have only grown by 50 percent to \$3.1 million in FY 2006.